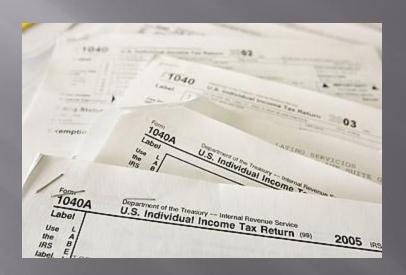
Protecting Taxpayer Information



Disclosure Awareness



Purpose:

To ensure the confidentiality of state and federal tax information in the possession of the Department of Revenue (DOR) as required by:

Kentucky Revised Statutes (KRS) 131.190 Internal Revenue Code (IRC) section 6103

To ensure that confidential state and federal tax information is used by DOR personnel for "Official Use Only"

The Law: State

KENTUCKY REVISED STATUTES

KRS 131.190

Prohibits specific individuals, including DOR staff from intentional unauthorized inspection of or divulging of tax information of any taxpayer

KRS 131.081(15)

The Taxpayer's Bill of Rights ensures the right of privacy for information provided by taxpayers on their tax returns.

The Law: Federal

INTERNAL REVENUE CODE

IRC section 6103 (a) (2)

Prohibits an officer or employee of any state from disclosing any federal return or federal return information obtained in any manner

IRC section 7213A

The Taxpayer Browsing
Protection Act prohibits
any person from
accessing or inspecting,
without proper
authorization, any
federal return or federal
return information

Safeguarding State & Federal Information

Taxpayer information must be protected, regardless of either hard copy or through electronic media.

Is there a "NEED TO KNOW"

Examples of unauthorized disclosure:

* Providing (visually or verbally) the filing status, amount of income, or any other return information or tax related information to a friend or family member, or any other person, or a DOR employee who has

"NO NEED TO KNOW"

Providing (visually or verbally) the address or amount of income of an ex-spouse to assist with the collection of child support.

Examples of unauthorized disclosure (cont'd):

* Make a fellow employee, who has no "NEED TO KNOW" aware of tax information or show them the tax return of a famous person or any other person.

Examples of unauthorized Inspection (browsing):

- Looking at (browsing) information on a computer database, out of curiosity, to determine if a fellow employee or friend has filed a return or paid his/her taxes.
- Using addresses obtained from DOR databases or directly from a tax return for personal use.
- Viewing the tax return or tax information of a famous person or other person in which you have no "NEED TO KNOW".

Examples of authorized release of tax information:

- Information may be exchanged within the DOR In order to perform his/her job or to seek advice about legal, technical, or procedural issues.
- Information disclosed through Exchange of Information Agreements.
- A taxpayer or the authorized representative can obtain a copy or receive his/her own tax information when requested by either the taxpayer or their representative.

Confidentiality after leaving DOR

The confidentiality requirement remains in effect after an employee leaves the DOR. Any tax information that was confidential during your tenure remains confidential after your tenure.

Penalties for Confidentiality Violations

Unauthorized Disclosure / Inspection of State Tax Information

KRS 131.990(2), KRS 131.081(14) & KRS 446.070

- Fines up to \$1000
- Imprisoned for not more than one (1) year.
- Loss of job
- Subject to personal civil liability for damages.

Unauthorized Disclosure / Inspection of Federal Tax Information

IRC 7213, 7213A & 7431

- Fines up to \$5000
- Imprisoned up to five(5) years.
- Subject to personal civil liability, including costs of prosecution
- · Loss of job.

WHEN IN DOUBT CHECK IT OUT

If ever you are unsure about disclosure and confidentiality procedures, please seek assistance from your supervisor or the Disclosure Office.

Disclosure Office:

501 High Street Station #6 Frankfort, Kentucky 40601

Disclosure Officer: Chundra Lott (502)564-2551

Assistant: Michele Chapman (502)564-2552

Analyst: Carlos Sams (502)564-1480